

Supply Fund Procedures for Notes to the Balance Sheet

1. PURPOSE:

This bulletin provides Department of Veterans Affairs (VA) Supply Fund procedures regarding notes to the Balance Sheet.

2. BACKGROUND:

At the end of each fiscal year, a Supply Fund Balance Sheet is prepared. Notes are necessary to clarify or further define assets, liabilities, or net position in terms of significant changes in accounting policies, reporting methods, or category content. These notes become an integral part of the Management Discussion and Analysis (MD&A) report.

3. PROCEDURES:

The "Notes to the Balance Sheet" begin with "Note 1" which is a summary of significant accounting policies, which affect such balance sheet accounts as the Fund Balance with Treasury and Property, Plant, and Equipment. A short synopsis of imputed financing related to employee benefit projections, possible pending litigations, and other liabilities are included in Note 1.

Beginning with "Note 2", the notes concentrate on specific balance sheet summary accounts such as the Fund Balance with Treasury, accounts receivable, and inventories. These notes are generally presented in a comparison year format, whereas the current fiscal year's data will appear beside the previous fiscal year's data. Significant variances from one year to the next can be readily identified.

Each note category beginning with Note 2 is balanced and reconciled against the fiscal year-end trial balance, the balance sheet and income statement, and the SF-133. A short narrative accompanies each note which identifies any significant changes or established policies which have a bearing on the applicable account(s) and the balance which pertains to the note.

Note: Refer to the MD&A report for further clarification on the Balance Sheet Notes.

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4. RESPONSIBLE OFFICE:

The Supply Fund fiscal office (049F) located at: VA Central Office, 810 Vermont Avenue, Washington, D.C.

5. REFERENCES:

OMB Circular A-136

6. QUESTIONS: Questions concerning this bulletin should be addressed to:

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